

Linking Iowa's Freight Transportation System (LIFTS) program

LIFTS overview

The Linking Iowa's Freight Transportation program is a new grant funding opportunity to improve Iowa's freight transportation system.

The LIFTS program seeks to address gaps in multimodal funding to assist in bolstering the freight transportation system – be that by truck, train, barge, airplane, or several modes. Because Iowa is a producer state, products grown or made here take a journey on multiple modes of transportation around the United States and the world. Efficient, diverse, and cost-effective freight transportation is critical to the health of Iowa's businesses, communities, and economy.

The LIFTS program grant funding is not limited to a particular mode of transportation, but is designed to assist projects that contribute to effective and efficient freight transportation. Project eligibility is far ranging. Examples of projects that could benefit the freight transportation system include, but are *not* limited to:

- Transload facilities where products are transferred between rail and truck.
- Capacity improvements at barge terminal facilities.
- Intermodal facilities.
- Barge transload facilities where products can be transferred from barge to rail or truck.
- Remove height or width restrictions on existing infrastructure that inhibit the movement of freight.
- Ramps or docks for loading/unloading air cargo.
- Increase weight capacity to use heavier 286,000 lb. rail cars.
- Expand or reconfigure rail yards to increase capacity or reduce dwell time.
- Safety improvements to increase freight capacity.

Though LIFTS is being administered by the Iowa Department of Transportation's Office of Rail Transportation, projects are *not* limited to rail infrastructure. Nor is LIFTS designed to assist projects that can be funded under traditional highway programs, such as highway construction, reconstruction, or modifications.

Some projects that include highway components may be able to take advantage of another Iowa DOT program, [Revitalize Iowa's Sound Economy \(RISE\) program](#) (through a separate application process), for the establishment, construction, improvement, and maintenance of roads and streets to promote economic development in Iowa.

Purpose

The purpose of the LIFTS program is to provide grants for projects that help meet the changing demands on Iowa's multimodal freight system. The intent is to provide funding for freight projects that have public benefit by enhancing the shipment of freight but are ineligible for state or federal highway funding. The funding program is designed to:

1. Enhance economic development by improving the multimodal freight transportation system.
2. Provide flexible funding for the changing demands of the freight transportation system.
3. Enhance the ability to provide competitive transportation options for shipment of products and moving goods.
4. Provide incentives to alternate modes for economic development partnership opportunities.

Amount

The department has identified \$2.6 million that is available for this program in 2016. Applicants must provide a cash match for the proposed project. The minimum amount of matching funds required of a public entity or a public-private partnership is 20 percent; private entities must provide a 50 percent match.

The LIFTS program is a reimbursement program. If awarded a grant, invoices for completed work will be submitted to the Iowa DOT, whereupon a reimbursement up to the percentage of the match will be made. For example, a public or public-private entity that submits a bill for \$10,000 would be reimbursed \$8,000 (80 percent) of the \$10,000. A private company would be reimbursed \$5,000 (50 percent).

LIFTS is currently a one-time funding opportunity. The Iowa DOT has for several years unsuccessfully sought to obtain a flexible, sustainable source of state funding to meet multimodal and freight needs. This demonstration project will provide evidence of the needs and demand to support future investments.

Eligible applicants

A transportation provider; transportation user; city or county; metropolitan planning organization or regional planning affiliation; or any other entity with an interest in a freight transportation improvement is eligible to apply for funding. Joint applications and public-private partnerships are allowed and encouraged, but the applicants shall designate one contact person.

Eligible/Ineligible costs

Projects must demonstrate public benefit. Any project must meet United States Code Title 23 eligibility criteria as summarized here:

- A public freight rail facility or a private facility providing public benefit for highway users by way of direct freight interchange between highway and rail carriers.
- A modal link to transfer freight between modes.
- A nonhighway means of access to a freight facility.
- A service improvement for a freight rail facility or a modal transfer facility.
- Additional criteria for Port Projects: If located within the boundaries of a port terminal, includes only such surface transportation infrastructure modifications as are necessary to facilitate direct intermodal interchange, transfer, and access into and out of the port.

Based on the above criteria, the department has judged the following to be eligible and ineligible costs:

Eligible costs

Activities or items eligible for funding include, but are not limited to:

- Modernization, upgrading, expansion, or reconstruction of existing and new freight transportation facilities that support direct freight interchange between highway and rail carriers.
- Modernization, upgrading, expansion, or construction of existing and new freight modal links, including, but not limited to, air freight facilities, barge terminal facilities, intermodal facilities, transload locations, cross docks, or team tracks.
- Infrastructure that is integral to a nonhighway freight transportation system, including, but not limited to, railroad bridge and culvert modernization, replacement or removal, and barge terminal dock modernization or replacement.
- Right of way acquisition costs.
- Matching funds, contribution, or out of pocket costs associated with obtaining a federal or private grant or loan.

- Planning studies that evaluate the need or feasibility of a freight facility or improvement or develop a strategy to address a freight transportation challenge.
- Equipment that is integral to a freight transportation improvement.

Ineligible costs

Activities or items ineligible for funding include:

- Capital or operating costs associated with passenger rail.
- Capital or operating costs associated with public transit, including commuter rail.
- Acquisition or capital costs associated with recreational trails.
- Contract administration.
- Refinancing of a completed project that would have otherwise qualified under this program.
- Rolling stock.
- Highway-railroad crossing safety or surface improvements unless a part of a construction award under this program.
- Transportation tourist sites, museums, or historic preservation.
- Design and engineering unless a part of a construction award under this program.
- Environmental studies unless a part of a construction award under this program.
- Changes or improvements to navigable rivers that are directly under the jurisdiction of the U.S. Army Corps of Engineers.
- Highway only projects typically eligible for local, state, or federal highway funding.

No part of the project may be started until an agreement is signed. For new projects only, an advance eligibility waiver may be available that will allow reimbursement of certain preparatory expenditures (such as land acquisition or design) incurred prior to any future award. A written request for a waiver must be requested and granted prior to the expenditure. Granting of a waiver does not imply or guarantee in any way a future award, but may maximize eligible expenses in the event of an award.

Application/Additional information

Applications must clearly describe the proposed project and articulate the public and freight benefits, quantifying those benefits wherever possible. All applicants must submit a Minority Impact Statement Form along with application, as well as the attachments spelled out within the application.

Note: Currently the department is having issues with users accessing on-line forms with certain browsers. If you receive an error when accessing the forms below, please retry using Microsoft's Internet Explorer browser.

[Application \(Iowa DOT Form 291320\)](#)

[Minority Impact Statement \(Iowa DOT Form 105101\)](#)

Completed applications are to be mailed to the following address or emailed to laura.hutzell@dot.iowa.gov.

Attn: Laura Hutzell
Office of Rail Transportation
Iowa Department of Transportation 800 Lincoln Way
Ames, IA 50010
515-239-1508

All questions about the program or application should be directed to Laura Hutzell at

laura.hutzell@dot.iowa.gov or 515-239-1066.

Evaluation

A team of Iowa DOT staff will evaluate applications on the following criteria. Projects will be evaluated by a review of:

- Freight transportation benefits (40 percent), including freight connectivity; how the project addresses freight challenges and improves freight mobility and reliability; and provides benefits to customers and shippers.
- Economic benefits (30 percent), including job creation and retention; local, statewide, or regional economic influence, including benefits and cost savings to customers and shippers; and other investment by sponsor (leveraging private investment).
- Public benefits (20 percent), including highway user benefits, safety, congestion relief, environmental, and other public benefits.
- Project readiness (10 percent), including design status, environmental clearances, permitting, and expected timeline of project.

Site visits may be arranged if it is deemed beneficial to better understand the scope or intent of a project. The evaluation team will make a recommendation to the Iowa Transportation Commission.

Schedule

- Oct. 23, 2015: Applications due.
- November 2015: Review applications.
- Dec. 7/8, 2015: Initial staff recommendations reviewed by the Iowa Transportation Commission.
- Jan. 12, 2016: Iowa Transportation Commission approves projects for award.

Post award requirements

- Applicants must return a signed letter of award acceptance to the Iowa DOT within 45 days of the award announcement.
- An agreement will be prepared between the Iowa DOT and project sponsor. The agreement shall specify the scope of the project, the approved funding level, and other conditions for project funding.
- As applicable, the agreement shall address responsibilities for project design, right of way acquisition, contracting, construction and materials inspection; documentation required for reimbursement of project costs; audit requirements; and maintenance of the completed project.
- All agreements must be signed by the recipient within 180 days of award.
- All projects must be completed within 36 months of the executed agreement. An extension of 12 months may be requested by the award recipient in writing and must be approved in writing by the Iowa DOT.
- Department staff may revoke a funding commitment or seek repayment of funds granted if the applicant fails to fulfill the terms of the agreement.